

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

brief summary of financial proposals filed with and actions by the S.E.C.



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FOR RELEASE October 1, 1969

DAVIS, ROWADY & NICHOLS SUSPENDED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8708) suspending Davis, Rowady & Nichols, Inc., Detroit broker-dealer firm, and Fred L. Davis, Jr., its board chairman, from membership in the Detroit Stock Exchange for 30 days, commencing September 30. The firm, Davis and Lewis Rowady, president, also were censured. In an offer of settlement submitted for the purpose of this proceeding, the said respondents waived a hearing and admitted to violations of the record-keeping, broker-dealer registration, net capital and credit provisions of the Act and rules thereunder and failure to supervise, except that they neither admit nor deny the allegations of wilfulness, and consented to imposition of the indicated sanctions. In their settlement offer, the respondents undertook and represented, among other things, that the firm's books and records are fully posted and that the firm is, and will operate, in compliance with the credit and net capital requirements of the Act. The firm also has undertaken to submit at the end of each month through June 1970, a trial balance and net capital computation, a completed copy of the Commission's short form reporting questionnaire, and an affidavit of compliance with the record-keeping net capital and credit requirements.

P R PETERSON CO. SUSPENDED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8707) suspending the broker-dealer registration of P.R. Peterson Co., Minneapolis, Minn., for 30 days (commencing October 6) for violations of the Securities Act registration and anti-fraud provisions in the offer and sale of stock of Donnybrooke, Inc., between March 1968 and May 1969. The firm's president, Peter R. Peterson, was barred from association with a broker-dealer for the same period; and both respondents are prohibited for five years from participating in the distribution of any securities by an issuer or control person of an issuer. The two respondents consented to the findings of violations by the Commission and to the indicated sanctions, but without admitting or denying the violations.

According to the Commission's decision, the Peterson firm, in contravention of its obligation as underwriter of a public offering of 150,000 shares of Donnybrooke stock at \$2 per share, withheld 10,993 shares from public sale, transferred these shares to a trust controlled by the respondents, and thereafter sold the shares at prices in excess of the \$2 offering price. Moreover, they made false and misleading statements concerning their purchase and resale of these shares and, in addition, bid for and purchase Donnybrooke stock while engaged in its distribution and induced customers to purchase such stock, in violation of Rule 10b-6.

INDIVIDUALS' SAVING REPORTED. The SEC today reported that individuals' saving during April-June of 1969 totaled \$6.9 billion. The amount of second quarter 1969 saving is almost identical to the same period of 1968, but is lower than the \$10.4 billion of the first quarter 1969. On a seasonally adjusted basis, however, the first two quarters of this year registered about the same amount of saving. For further details, see Statistical Release No. 2393.

COLONIAL FOODS PROPOSES OFFERING. Colonial Foods, Inc., 400 Broadway, Freehold, N.J. 07728, filed a registration statement (File 2-34744) with the SEC on September 25 seeking registration of \$450,000 of 7½% convertible subordinated debentures, due 1979, and 90,000 shares of common stock, to be offered for public sale in units consisting of one debenture and 90 shares. The offering is to be made at \$900 per unit through underwriters headed by C.I. Oren & Co., Inc., 39 Broadway, New York, N.Y. 10005, which will receive a \$96 per unit commission plus \$15,000 for expenses. In August, the company sold the Oren firm 9,000 shares for \$900; it has agreed to pay the Dora Lebovits a finders fee of five-year warrants to purchase 3,500 shares, exercisable at \$5 per share.

Organized in August, the company owns 100% of the stock of eight corporations organized at various times since 1956. It is engaged in the business of processing and distributing eggs to retail outlets in the Metropolitan New York area. Of the net proceeds of its financing, \$150,000 will be used to reduce short-term obligations to banks and \$500,000 to build or acquire additional egg processing and production facilities as well as other related facilities in Florida and Georgia; the balance will be added to the company's working capital. In addition to indebtedness, the company has outstanding 439,000 common shares (with a \$1.90 per share net tangible book value), of which Joel Opatut, board chairman and president, Benjamin Opatut, vice president, and Morris Opatut (together with their respective wives), own 26.4% each. Purchasers of the shares being registered will acquire a 17% stock interest in the company for their investment of \$450,000 (they will sustain an immediate dilution of \$2.02 in per share book value from the offering price); the present shareholders will then own 83% for which they will have paid \$1,900 in cash and transferred to the company 100% of the shares of corporations having an aggregate net worth of \$834,643 at July 31.

RAPID SANDWICH TO SELL STOCK. Rapid Sandwich Systems, Inc., 673 Broad St., Shewsbury, N.J., filed a registration statement (File 2-34745) with the SEC on September 25 seeking registration of 120,000 shares of common stock, to be offered for public sale at \$7 per share. The offering is to be made on a "best efforts" basis through Whitehall Securities Corp., 138 Main Street, Oceanport, New Jersey, which will receive a 56¢ per share selling commission plus \$6,000 for expenses. In February, Austin S. Litvak, president, and Ralph Acerra, secretary-treasurer, gave 8,000 shares (now 12,000 shares as the result of a stock split in May) to the president of the underwriter.

Over

The company was organized in February for the purpose of establishing, owning and operating quick service sandwich shops. Of the net proceeds of its stock sale, \$150,000 will be used to advance the franchising program, \$150,000 to purchase land, equipment, inventory and construct shops and offices, \$125,000 for research and development and \$200,000 for funds for licensee lease guarantees and/or deposits; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 474,000 common shares (with a 14¢ per share net tangible book value), of which Austin Litvak owns 14.24%, management officials as a group 43.75% and Franchises International, Inc., 14.24%. Purchasers of the shares being registered will acquire a 20% stock interest in the company for their investment of \$840,000 (they will sustain an immediate dilution of \$5.65 in per share book value from the offering price); the present shareholders will then own 80%, for which they paid \$123,200, or 26¢ per share.

WOODS PETROLEUM PROPOSES OFFERING. Woods Petroleum Corporation ("Woods"), 4900 North Santa Fe, Oklahoma City, Okla. 73118, filed a registration statement (File 2-34746) with the SEC on September 25 seeking registration of 1,600 units of participation (\$8,000,000 aggregate) in its Woods 1970 Joint Venture, to be offered for public sale in \$5,000 units with a minimum purchase of two units for new participants. No underwriting is involved; participating NASD members will receive a 5% selling commission. The 1970 Joint Venture will engage in the search for oil and gas. Woods is a wholly-owned subsidiary of Woods Industries, Inc., substantially all of whose stock is owned by Woods Corporation. Roy G. Woods is board chairman and A.D. Freshour is president of Woods.

SAM BOREN PETROLEUM PROPOSES OFFERING. Sam Boren Petroleum Corp. ("Boren"), 325 Park Cities Bank Bldg., Dallas, Texas, filed a registration statement (File 2-34747) with the SEC on September 25 seeking registration of 2,000 units of participation (\$10,000,000 aggregate/program subscription) in its Boren Oil Fund, Ltd. (Series A), to be offered for public sale at \$5,000 per unit. No underwriting is involved; participating NASD members will receive a 7% selling commission and may receive warrants to purchase up to 100,000 common shares of Boren. Boren will participate in a continuing program of exploratory and development drilling for oil and gas as a limited partner in a series of semi-annual drilling partnerships. Boren Oil Operating Corporation will serve as general partner and Boren as limited partner of the Fund and the drilling partnerships. Sam Boren is president of Boren and owns all the outstanding stock of Boren and Boren Operating.

TRI-WALL CONTAINERS FILES FOR OFFERING AND SECONDARY. Tri-Wall Containers, Inc., One Dupont St., Plainview, L.I., N.Y. 11803, filed a registration statement (File 2-34748) with the SEC on September 25 seeking registration of 260,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 160,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Shearson, Hammill & Co., Incorporated, 14 Wall Street, New York, N.Y. 10005; the offering price (\$14 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures and markets custom-designed, heavy duty shipping containers of triple-wall corrugated paperboard produced under the name "Tri-Wall Pak." Of the net proceeds of its sale of additional stock, \$350,000 will be used for machinery and equipment of a new Laminite facility in Roslyn Heights and \$275,000 for the purchase of the Pinedale plant on which the company has an option; the balance will be used over the next two years for the purchase of additional machinery and equipment and to finance expansion of the company's foreign marketing facilities, either directly or in conjunction with local interests. In addition to indebtedness, the company has outstanding 1,050,521 common shares, of which Abraham Goldstein, board chairman, owns 76.7% and management officials as a group 86.3%. Goldstein proposes to sell 129,321 shares of 805,413 shares held and 15 others the remaining shares being registered. Jerome Wallerstein is president.

FAY'S DRUG FILES FOR OFFERING AND SECONDARY. Fay's Drug Company, Inc., 7327 7th North St., Liverpool, N.Y. 13088, filed a registration statement (File 2-34749) with the SEC on September 25 seeking registration of 220,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 20,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by And Andresen & Co., 140 Broadway, New York, N.Y. 10005; the offering price (\$7.75 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the underwriters for \$200, five-year warrants to purchase 20,000 shares, exercisable initially at the offering price and not to be resold for one year.

The company operates a chain of discount super drug and general merchandise stores under the name "Fay's Drugs" in the central New York area. Of the net proceeds of its sale of additional stock, \$820,000 will be used to repay all short term bank loans outstanding, which were incurred in connection with the opening of three new stores and for inventory accumulation, \$75,000 for the expansion of the Watertown store and \$175,000 for the opening of a new store in the Syracuse area; the balance will be added to the company's working capital. In addition to indebtedness, the company has outstanding 600,000 common shares, (with a \$2.22 per share book value), of which Henry Panasci, board chairman, owns 18%, Henry A. Panasci, Jr., president, 52% and as Trustee f/b/o Arlene Panasci 10%, as Trustee f/b/o Beth Panasci 5% and as Trustee f/b/o David Panasci 5%. The Arlene Panasci Trust proposes to sell 10,000 of 60,000 shares held, and the Beth Panasci Trust and David Panasci Trusts 5,000 each of 30,000 shares held each.

NATIONAL SOFTWARE EXCHANGE TO SELL STOCK. National Software Exchange, Inc., Station Plaza East, Great Neck, N.Y. 11021, filed a registration statement (File 2-34750) with the SEC on September 25 seeking registration of 90,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a "best efforts, all or none" basis through Investor Centers, Inc., 166-07 Hillside Ave., Jamaica, N.Y. 11432, which will receive a 50¢ per share selling commission plus \$4,500 for expenses. The company has agreed to issue the underwriter, at no cost, six-year warrants to purchase 9,000 shares, exercisable after one year at \$6.50 per share.

The company was organized in August 1968 for the purpose of engaging in the business of marketing computer systems and other related activities. Of the net proceeds of its stock sale, \$70,000 will be used for initial

salaries of additional marketing personnel and for expansion of advertising and promotional activities, \$60,000 for development of data processing services to the professional community, and \$120,000 for development of software packages on a contract basis (including salary of a computer programmer/analyst); the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 145,000 common shares (with an \$.084 per share net tangible book value), of which David H. Goldstein, president, owns 37.9% and Richard Goldstein, secretary-treasurer, 40.7%. Purchasers of the shares being registered will acquire a 38% stock interest in the company for their investment of \$450,000* (they will sustain an immediate dilution of \$3.393 in per share book value from the offering price); the present shareholders will then own 62%, for which they paid \$50,000.

CONN. TECH. CORP. TO SELL STOCK. Connecticut Technical Corporation, 3000 Main St., Hartford, Conn. filed a registration statement (File 2-34751) with the SEC on September 25 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$7.50 per share. The offering is to be made through Hill, Thompson, Magid & Co., Inc., 70 Wall St., New York, N.Y., which will receive a 75¢ per share commission plus \$23,500 for expenses.

The company is engaged in the design, development and manufacture of computer peripheral equipment for the computerized graphic arts (printing) industry. Of the net proceeds of its stock sale, \$75,000 will be used for the design and development of new products, \$245,000 to repay short term indebtedness, \$20,000 for the purchase of equipment and \$50,000 for its marketing programs; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 373,125 common shares (with a 5¢ per share net tangible book value), of which Harold M. Kneller, president, owns 17.6%, management officials as a group 40.2% and Charter Oak Realty Corporation 16.8%. Purchasers of the shares being registered will acquire a 21% stock interest in the company for their investment of \$750,000; the present shareholders will then own 79%, for which they paid \$557,814, or approximately \$1.49 per share.

TEK-WAVE TO SELL STOCK. Tek-Wave, Inc., Raymond Road, Princeton, N.J. filed a registration statement (File 2-34752) with the SEC on September 25 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$8 per share. The offering is to be made on a "best efforts, all or none" basis through Jed L. Hamburg & Co., Inc. 111 Broadway, New York, N.Y., which will receive an 80¢ per share selling commission plus \$15,000 for expenses. The company has agreed to sell to the underwriter, for \$60, five-year warrants to purchase 6,000 shares, exercisable after one year at \$8 per share; an additional 4,000 warrants are being sold at a total cost of \$40 to Messrs. Galpeer & Cooper, (1,500) counsel to the underwriter, to Aaron Karp (1,500), a member of said firm, and to Edward Silver (1,000), as finders. The company has also agreed to pay Edward Silver \$4,000 for services as finder.

Organized in August 1967, the company designs, manufactures and sells miniaturized solid state microwave components. Of the net proceeds of its stock sale, \$400,000 will be used for the purchase of machinery and equipment, \$75,000 for sales and advertising and \$40,000 to prepare its new building in Hillsboro Township, N.J. and \$85,000 as a reserve toward purchase price of that building; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 381,575 common shares (with a 70¢ per share book value), of which Ralph Heymann, president, owns 23.8% and management officials as a group 76.5%. Purchasers of the shares being registered will sustain an immediate dilution of \$6.08 in per share book value from the offering price.

PROGRAMMING METHODS FILES FOR SECONDARY. Programming Methods, Incorporated, 51 Madison Ave., New York, N.Y. 10010, filed a registration statement (File 2-34753) with the SEC on September 25 seeking registration of 300,000 outstanding shares of common stock, to be offered for public sale by the present holder thereof. The offering is to be made through underwriters headed by Weis, Voisin, Cannon, Inc., 111 Broadway, and Michael G. Kletz & Co., Incorporated, Time and Life Building, Rockefeller Center, both of New York, N.Y.; the offering price (\$19.25 per share maximum*) and underwriting terms are to be supplied by amendment. Riker-Mason Corporation ("Riker" -- the selling stockholder) has agreed to pay the Weis and Kletz firms \$35,000 for expenses and to sell them for \$300, six-year warrants to purchase 30,000 shares. Also included in this statement are 8,000 outstanding shares which may be offered for sale (commencing January 1, 1970) from time to time by two officers and a former officer of the Kletz firm at prices current at the time of sale.

Organized in January 1965, the company provides computer systems analysis and programming services for users and prospective users of computers. It has outstanding 843,000 common shares, of which Riker owns 72.9%; it proposes to sell 300,000 of 615,000 shares held. George Langnas is president.

ATRON PROPOSES OFFERING. Atron Corporation, 1256 Trapp Road, St. Paul, Minn. 55118, filed a registration statement (File 2-34754) with the SEC on September 25 seeking registration of 200,000 shares of common stock and warrants to purchase 100,000 shares of common stock, to be offered for public sale in units, each consisting of two shares and one warrant. The offering is to be made at \$30 per unit through underwriters headed by Ladenburg, Thalmann & Co., 25 Broad St., New York, N.Y. 10004, which will receive a \$2.40 per unit commission plus \$25,000 for expenses. On September 17, the company sold the Ladenburg firm, for \$1,000, a ten-year warrant to purchase 10,000 shares, exercisable (after one year) at \$6.25 per share during the first five years and \$15 per share during the second five year.

The company was organized in November 1968 to engage in the design, development, manufacture, systems engineering, programming, marketing and support of digital computer-based systems and subsystems. Of the net proceeds of its stock sale, \$750,000 will be used for manufacturing and inventories, \$500,000 for development and operating expenses, \$150,000 for capital equipment and leasehold improvements in connection with future expansion of the manufacturing facility and \$500,000 to develop regional sales and services centers; the balance will be added to the company's working capital. The company has outstanding 786,000 common shares (with a \$1.70 per share book value), of which Mohawk Data Sciences Corp. owns 24.8% and management officials as a group 14.2%. Joseph S. Stoutenburgh is president. Purchasers of the units being registered together with holders of special warrants will acquire a 29% stock interest in the company for their investment of \$4,827,000; the present shareholders will then own 71%, for which they paid \$1,377,250 or \$1.75 per share.

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Capitol Holding Corporation for the further ten-day period October 2-11, 1969, inclusive.

W C SMITH FINED. The SEC New York Regional Office announced September 25 (Litigation Release 4421) that the U.S. District Court (SD NY) had fined William C. Smith of Miami, Fla. \$1,000 and placed him on probation for one year; Smith was found guilty on July 16 of violating Section 21(c) of the Securities Exchange Act by his failure and refusal to testify and produce records in obedience to a subpoena issued in the Commission's investigation of transactions in stock of Alcar Instruments, Inc.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the September 4 News Digest.

8-K Reports for July

Aguirre Co Aug 69(2,13)	1-510-2	Globe Union Inc Aug 69(12,13)	1-3328-2
Chicago Pneumatic Tool Co Mar 69		Metromedia Inc Aug 69(7,8)	1-4649-2
(11,13)	1-1504-2	Public Service Co of Indiana Inc Aug 69	
Clear Creek Corp Aug 69(6)0-1379-2		(3,7,12)	1-3543-2
Digitronics Corp Aug 69(11)0-1560-2		GCA Corp Aug 69(2,13)	1-4854-2
Fidelity and Deposit Co of Md July 69		Georgia International Corp Aug 69	
(1,2)	2-24525-2	(9,13)	1-5768-2
Genesco Inc July 69(3)	1-3063-2	Meredith Corp Aug 69(13)	1-5128-2
Holly Resources Corp Aug 69(13)1-4343-2		Missouri Utilities Co Aug 69	
A C F Industries Inc Aug 69(11)1-1333-2		(7,13)	0-402-2
Farifield Technology Corp July 69		Nevada Power Co Aug 69(8)	1-4698-2
(10,12,13)	0-3045-2	Berns Air King Corp Aug 69(11,	
Flexible Circuits Inc Aug 69		13)	0-2772-2
(2,7,9,13)	2-31411-2	Disc Inc Aug 69(6,11)	0-1466-2
United Corp of America Aug, Oct &		General Health Services Inc Aug 69	
Dec 68(12,13) Mar 69(12,13) May & June 69		(2,12,13)	2-30750-2
(2,12,13) & July 69(11,13) 2-15386-2		Kenton Corp Aug 69(7)	1-5909-2
Alaska Airlines Inc Aug 69(2,		J J Newberry Co Aug 69(7,13) 1-616-2	
12)	1-3314-2	Red Food Stores Inc Aug 69(7,	
Brush Beryllium Co Aug 69(7)0-484-2		13)	2-26918-2
Entwistle Co Aug 69(3)	2-30247-2	American Bakeries Co Aug 69(12) 1-74-2	
Industrial Air Products Co Aug 69		Cessna Aircraft Co Mar 69(12) 1-3145-2	
1,13)	0-3760-2	Computerized Natural Resources Inc	
Kewanee Oil Co Aug 69(7)	1-5327-2	May 69(12)	2-29708-2
Loehmann's Inc Aug 69(7)	1-4961-2	GF Industries Inc Aug 69(12) 1-4273-2	
Consolidated Papers Inc Aug 69		Rollins Inc Aug 69(1,12) 1-4422-2	
(13)	0-1051-2	Continental Funding Corp Aug 69	
First At Orlando Corp June 69		(12)	2-28846-2
7,13)	0-3734-2	Avondale Mills Aug 69(7,10) 1-5589-2	
Computer Statistics Inc Oct 66		Hess's Inc Aug 69(7,12,13) 0-3759-2	
(2,13)	2-27977-2	North Pittsburgh Tel Co Aug 69	
Coldwell Banker & Company Aug 69		(7,12,13)	0-1314-2
2,7,13)	2-30039-2	Penn-Akron Corp Aug 69(11) 0-799-2	
Curtis Mathes Mfg Co May 69(11) 1-5329-2			
Huntington Bancshares Inc Aug 69		Amended 8K Reports	
(7)	0-2525-2	Marriott Corporation	
Puget Sound Power & Light Co Aug 69		Amended 8K for June 69(7,12,13) 1-5664-2	
(7,11,12,13)	1-4393-2	Great Southwest Corp.	
Allied Tel Co Aug 69(12)	0-3670-2	Amdt #1 to 8K for June 69(7,8) 0-100-2	
Charter New York Corp Mar 69		Warner Company	
(12,13)	1-5717-2	Amdt #1 to 8K for Apr 69(13) 1-4170-2	
General Corporation of Ohio Sep 69			
(11)	0-264-2		

SECURITIES ACT REGISTRATIONS. Effective September 30, 1969: J.P. Cabot Equity Corp., 2-31755 (90 days); Computer Image Corp., 2-34191; Don Sophisticates, Inc., 2-34490 (90 days); Fiduciary Growth Associates, Inc., 2-33889; First Realty Investment Corp., 2-33571 (90 days); Inspiration Consolidated Copper Company, 2-34330; Intramerican Drilling Fund, 2-34015 (90 days); International Patents & Development Corp., 2-30850 (90 days); Lehigh Valley Industries, Inc., 2-33773 (Nov 10); Lum's, Inc., 2-34653 (Nov 9); RLI Corp., 2-32225 (90 days); Systems Engineering Laboratories, Inc. 2-34649 (Nov 9); Tenneco Inc., 2-34611; The Triangle Corp., 2-32364 (90 days); Vico Corporation, 2-34410 (Dec 31).

NOTE TO DEALERS: The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.